

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JULY 17, 2013 AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:05 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D.; Joseph Cianciolo; Deborah Thomas and Russell Hahn.

BOARD MEMBER ABSENT: John Justo; Bradford Dimeo and Michael Traficante.

ALSO PRESENT: Kelly J. Fredericks, P.E., A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Hahn and seconded by Ms. Thomas to approve the minutes of the Board of Director's Meeting of June 19, 2013. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum.

No one came forward.

3. Report from President and CEO:

Mr. Fredericks presented the President and CEO Report and reported on the following:

- Mr. Fredericks commended Mr. Frazier, Mr. Andrade and Ms. Penta for their work on the union contract negotiations. Mr. Fredericks stated as an outsider observing the union negotiations he was very impressed with how well prepared and professional both negotiation teams were.**

- Mr. Fredericks reported passenger traffic in June was up 2.8% representing four months of positive growth on 4% increased seating capacity. Capacity for the next three months is expected to be approximately 4.58%, 7.98% and 9.60%. Mr. Fredericks**

stated PVD is up 2.54% for the year.

- **Mr. Fredericks stated, based on preliminary FAA 2012 passenger statistics, PVD went from a medium hub airport to small hub airport designation. PVD missed the medium hub threshold by approximately 20,000 passengers. PVD will be the largest small hub airport. Mr. Fredericks stated there will be no negative impacts and this designation will provide for short term financial advantages as PVD will receive additional entitlement funds for both the runway safety program and noise program. Mr. Fredericks stated with the trend of increased passenger growth and seating capacity T. F. Green will return to a medium hub status in the near future.**

- **Mr. Fredericks reported cargo activity was up 6.7% on approximately 105 million pounds of cargo and PVD was the only airport in the Northeast to show a cargo increase. Mr. Fredericks reported the increased growth is cargo that is being shipped out of PVD.**

- **Mr. Fredericks reported parking revenue is up 4.3% for June with ticket sales up 1%.**

- **Mr. Fredericks reported meeting with three entities to discuss corporate hangar development adjacent to the long-term parking lot. Additional information is being gathered for a possible October/November agreement and will be brought before the Board.**

- **Mr. Fredericks reported the general aviation airport system is**

projecting an approximate loss of \$687,000 for FY 2014. Mr. Fredericks reported that a follow up to an earlier study is being initiated to further evaluate financial improvements.

- Mr. Fredericks reported Notices to Proceed will be issued on July 29th for the demolition of Hangar 1 and the Runway 16 RSA Projects. Construction for the Airport Expansion Program will run through 2017. Mr. Fredericks recommended a formal ground breaking ceremony be scheduled for the 2014/2015 timeframe.**

- Mr. Fredericks reported a Notice to Proceed for the Deicing Collection System will be issued next month with construction to run through March 2015.**

- Mr. Fredericks reported an RFP for Design and Construction Management Services for the Runway 5/23 Extension Project will be finalized and advertised in late July/early August. The selection will be based on qualifications. An update will be provided to the Board in November after the selection process has been completed with negotiations to follow.**

- Mr. Fredericks reported he attended several meetings and events including: meeting with the QDC leadership, monthly meeting with Mayor Avedisian, speaking at the Providence Engineering Society Annual Banquet, meeting with the Transportation Committee of the Providence Chamber and conducting a RIAC employee briefing**

luncheon earlier today.

- Mr. Fredericks reported he accepted a “What’s Right about RI” award, on behalf of RIAC, at the July 19th RIAC Pawtucket Red Socks night. The award recognized RIAC as a prospering Rhode Island business. The event was well attended.**
- Mr. Fredericks reported TGI Fridays will close on July 21st and will reopen on August 12th as Budweiser Bowtie.**
- Mr. Fredericks reported the official opening of the Military comfort station will be in the August/September timeframe. A Ribbon Cutting Ceremony will be planned and further information will be supplied to the Board when a date has been chosen.**
- Mr. Fredericks asked Mr. Frazier to provide an update on Senate Bill No. 609. Mr. Frazier gave an overview of the item in relation to Board Member roles and responsibilities. Mr. Frazier stated there is a veto request pending on this item.**
- Mr. Fredericks asked Mr. Schattle to provide an update on bond refinance and debt service reserves. Mr. Schattle reported that RIAC worked with the RIEDC, Bond Council and the Trustees to cash fund approximately \$7.9 Million of certain debt service reserves to maintain compliance with its indentures. Mr. Schattle reported that the working group for the potential refunding of certain bonds are**

currently drafting relevant documents to bring to a future Board Meeting for approval with a goal of issuing the bonds in the Fall of 2013. Currently net present value saving are estimated at \$1.1 Million.

4. Pension Committee Report.

Ms. Penta reported the Committee met prior to the Board Meeting to review RIAC's pension and investment options. Ms. Penta stated the plan is performing as expected and no changes were recommended. The Committee will plan to meet and review the pension plan next quarter.

5. Action Item:

(a) Consideration of and Action Upon Resolution Honoring Robert D. Sangster.

Mr. Fredericks gave an overview of this item. The recommendation is that the Board of the Rhode Island Airport Corporation extends it gratitude and appreciation to Robert D. Sangster for his service to this Corporation, his dedication to public service and his commitment to the community and State, and wishes him and his family good health and every success in the future. Above all, the Board wants him to know that they will miss his keen insights and spirited candor at Board Meetings.

A motion was made by Mr. Hahn and seconded by Ms. Thomas to approve the following resolution:

WHEREAS, Robert D. Sangster has confirmed the belief that one has the obligation to accept the challenges and responsibilities of public service; and

WHEREAS, in 2002, Mayor Scott Avedisian appointed Robert D. Sangster as a member of the Board of Directors of the Rhode Island Airport Corporation; and

WHEREAS, Robert D. Sangster brought to the Board a tremendous wealth of business experience in addition to his perspective as a Warwick resident and a member of Concerned Airport Neighbors; and

WHEREAS, Robert D. Sangster served an excellent liaison between the City of Warwick and the Corporation; and

WHEREAS, Robert D. Sangster has played a major role in helping the Board to articulate its principal goals to continue the growth and success achieved at T. F. Green Airport since the terminal opening in 1996, and to ensure that the Corporation is managed and operated with professionalism and efficiency; and

WHEREAS, Robert D. Sangster, serving as Chair of the Human Resources Committee, provided valuable guidance and insight in the

development of personnel matters and corporate policies; and

WHEREAS, Robert D. Sangster has devoted countless hours to long range development plans and infrastructure improvements at T. F. Green Airport and the General Aviation Airports. Most notably, the advancement of the Environmental Impact Statement (EIS) and the completion of the InterLink Facility; and

WHEREAS, Robert D. Sangster has been instrumental in making the Corporation a model to which Rhode Islanders can look to, which shows that government can work and can enlist the volunteer services of dedicated citizens.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board of the Rhode Island Airport Corporation extends it gratitude and appreciation to Robert D. Sangster for his service to this Corporation, his dedication to public service and his commitment to the community and State, and wishes him and his family good health and every success in the future. Above all, the Board wants him to know that they will miss his legal insights and spirited candor at Board Meetings.

The motion was passed unanimously.

6. Executive Session:

At approximately 4:30 p.m. a motion was made by Mr. Hahn and seconded by Mr. Cianciolo to go into Executive Session for the purpose of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Session held on June 19, 2013 - R.I.G.L. § 42-46-5(a),(2),and (7); and

(b) Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2); and

(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Air Service Development and Two Business Development Opportunities at Quonset State Airport) – R.I.G.L. § 42-46-5(a)(7); and

(d) Discussion Related to Two Potential Non-Public Litigation Matters – R.I.G.L. § 42-46-5(a)(2); and

(e) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph Cianciolo

Deborah Thomas

Russell Hahn

NAYS: None

ABSTAIN: None

At approximately 5:55 p.m., a motion was made by Mr. Hahn and seconded by Mr. Cianciolo to return to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Consideration of and Action Upon Ratification of the July 1, 2013 through June 30, 2016 Collective Bargaining Agreement.

Ms. Penta gave an overview of the three-year Collective Bargaining Agreement. Ms. Penta stated changes to the contract included an increased employee contribution to the health care plan, increased office and emergency visit co-pays, wage increases of 2% year one, 2% year two and 3% year three, changes to ability to offer light duty to injured ARFF and RIAP employees and a ARFF and RIAP mandatory retirement age of 70.

A motion was made by Mr. Hahn and seconded by Ms. Thomas to authorize RIAC's President and CEO to execute a new three-year Collective Bargaining Agreement and accompanying memorandum of

agreement with Rhode Island Council 94 on terms substantially in the form presented to the Board with a July 1, 2013, effective date.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph Cianciolo

Deborah Thomas

Russell Hahn

NAYS: None

ABSTAIN: None

(b) Motion to Seal the Minutes of the Executive Session Held on July 17, 2013.

A motion was made by Mr. Hahn and seconded by Mr. Cianciolo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph Cianciolo

Deborah Thomas

Russell Hahn

NAYS: None

ABSTAIN: None

(c) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Mr. Cianciolo to approve the sealed minutes of the Executive Session held on June 19, 2013. The motion was seconded by Ms. Thomas. The motion passed unanimously.

8. Future Meetings:

The next Board Meeting will be held on Wednesday, August 21, 2013 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Ms. Thomas moved to adjourn at approximately 6:10 p.m. Mr. Cianciolo seconded the motion. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JULY 17, 2013

NAME	AFFILIATION
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Peter Frazier	RIAC
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Brian Schattle RIAC

Liberty Luciano RIAC

Sherri Ann Penta RIAC

Patricia Goldstein RIAC

Bruce Wilde RIAC

Paul McDonough RIAC

Dan Porter RIAC

Doug Dansereau RIAC

Alan Andrade RIAC

Kendra Beaver RIAC

Leo Messier RIAC

Jeffrey Wiggins RIAC

James Falvey PB Americas

Robert Goff New England Parking

Woody Creswell The Paradies Shops

Laurie Brayton State Fiscal Office

Ron Peckham C&S Engineers

Jean Mongllo Hoyle Tanner

The minutes of the Executive Session of the Board Meeting of July 17, 2013, have been sealed in accordance with R.I.G.L. § 42-46-4.